

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,     ) Application No. NUSF-1  
on its own motion, seeking             )  
to establish guidelines for             ) PROGRESSION ORDER NO. 1  
administration of the Nebraska         )  
Universal Service Fund.                 ) Entered: April 20, 1999

BY THE COMMISSION:

Neb. Rev. Stat. section 75-609(3) charges the Commission to ensure that access reductions are passed on to the customers of interexchange carriers. For the purpose of this section, access charges are "charges paid by telephone carriers to local exchange carriers in order to originate and terminate calls using local exchange facilities." As a result, the Commission required that interexchange carriers file plans by August 1, 1999, demonstrating the pass-through of access charge reductions to end-users. These proposed rate changes will become effective on September 1, 1999.

Clearly section 75-609(3) requires all interexchange carriers to pass through reductions in charges paid *directly* to local exchange carriers (LECs) for originating and terminating interexchange calls to end-users irrespective of whether the interexchange services are provided over a company's own facilities, through resale of another company's facilities or a combination of both. However, it is not clear how this statute affects services that an interexchange carrier resells to other interexchange carriers.

The Commission finds that the interexchange carriers' plans filed on August 1, 1999, should reflect the reductions in access charges paid directly to local exchange carriers. A company that pays both access charges directly to local exchange carriers and leases or resells interexchange services should pass-through the reductions in access charges paid directly to local exchange carriers on September 1, 1999. The Commission will determine if and when any reductions in reselling costs should be passed-through to end-users.

Accordingly, the Commission seeks comments on the following issues:

- 1) Are access charges a component of services that an interexchange carrier resells to other interexchange carriers?
- 2) If so, what types of services?
- 3) On these services, does section 75-609(3) require interexchange carriers to pass access reductions through to reselling carriers?
- 4) If so, how should this pass-through be accomplished?
- 5) How should the time line be modified to allow the

pass-through of access charges to reselling interexchange carriers?

Comments on the aforementioned issues shall be filed with this Commission on or before May 18, 1999, and reply comments on or before June 1, 1999.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that interested parties file comments on the above-outlined issues on or before May 18, 1999, and reply comments on or before June 1, 1999. Parties filing comments and/or reply comments should file three paper copies and one electronic copy in WordPerfect 5.0 (or newer) format.

MADE AND ENTERED at Lincoln, Nebraska, this 20th day of April, 1999.

NEBRASKA PUBLIC SERVICE COMMISSION:

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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